

Press statement

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GDP in the first quarter of 2017 contracted by 0,7%

Gross domestic product (measured by production)

South Africa's gross domestic product (GDP) growth rate was -0,7% in the first quarter of 2017.¹

The largest negative contributor to growth in GDP in the first quarter was the trade, catering and accommodation industry, which decreased by 5,9% and contributed -0,8 of a percentage point to GDP growth.

The manufacturing industry contracted by 3,7% and contributed -0,5 of a percentage point to GDP growth. Seven out of ten divisions reported negative growth rates in the first quarter. The largest contributor to the decrease was the petroleum, chemical products, rubber and plastic products division.

In contrast the mining and quarrying industry increased by 12,8%, and contributed 0,9 of a percentage point to GDP growth.

The agriculture, forestry and fishing industry rebounded in the first quarter of 2017 on the back of eight consecutive quarters of contraction. The industry's increase of 22,2% in the first quarter of 2017 was mainly as a result of increases in the production of field crops and horticultural products.

Expenditure on GDP²

Expenditure on real gross domestic product fell by 0,8% in the first quarter of 2017.

Household final consumption expenditure decreased by 2,3% in the first quarter, contributing -1,4 percentage points to total growth. The main negative contributors to growth in HFCE were food and non-alcoholic beverages (-3,4% and contributing -0,7 of a percentage point), clothing and footwear (-12,1% and contributing -0,7 of a percentage point), and transport (-4,4% and contributing -0,7 of a percentage point).

Gross fixed capital formation grew by 1,0%, a second consecutive quarterly increase. The largest contributor to growth in the first quarter of 2017 was machinery and other equipment, which increased by 7,9% and contributed 2,5 percentage points to growth in GFCF.

There was a R2,7 billion build-up of inventories in the first quarter of 2017, which contributed 2,5 percentage points to total growth.

¹ Unless otherwise specified, quarter-on-quarter growth rates are seasonally adjusted and annualised. All growth rates are calculated on the basis of series at constant prices. The GDP estimates are preliminary and may be revised.

² The figures showing growth in expenditure on GDP exclude the residual, calculated as the difference between GDP measured by production and the sum of the expenditure components. For more detail see Table 30 on the Stats SA website.

Net exports contributed negatively to growth in expenditure on GDP. Both goods and services contributed negatively to the growth in exports. Exports of mineral products and vehicles and transport equipment were largely responsible for the decrease in goods.

Imports of goods and services increased by 3,2%, driven largely by imports of mineral products.

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